The Coniagas MINES, LIMITED

61st ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1967

The Coniagas MINES, LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1967

to be submitted to the
61st ANNUAL GENERAL MEETING OF SHAREHOLDERS
at
TORONTO, ONTARIO
on
JUNE 28, 1968

HEAD OFFICE
Suite 903, 330 Bay Street, Toronto

MINE OFFICE
DESMARAISVILLE, P.Q.

Directors and Officers

M. J. BOYLEN, D.C.L., D.Sc., Chairman of the Board and Director, Toronto, Ontario
C. S. KENNEDY, C.A., President and Director - - - - Toronto, Ontario
R. J. ISAACS, B.A.Sc., P.Eng., Vice-President and Director - Toronto, Ontario
D. W. GORDON, F.C.I.S., Secretary-Treasurer and Director - Toronto, Ontario
C. B. BRANNIGAN, Director - - - - - - - - - Toronto, Ontario

Auditors

SNYDER, CRAIG & COMPANY - - - - - - - - - Toronto, Ontario

Registrar and Transfer Agent

GUARANTY TRUST COMPANY OF CANADA - - - - Toronto, Ontario

Letter to the Shareholders

During the year under review and prior to the closing of the mine in May, all mine development work was curtailed and operations limited to the milling of previously developed ore, the statistics on which (with the previous year's figures for comparison) are as follows:

MILLING STATISTICS

Year 1967	Dry Tons	Zn. %	Pb. %	Ag. oz.	Au. oz.
Mill Heads	41,398	4.99	.39	2.71	
Zinc Concentrate	3,284	53.6	.35	3.7	
Lead Concentrate	496	22.8	30.9	173.4	.27
Final Tailing	37,618	.95	.7	.89	
Metal Recoveries		81.0	82.1	67.2	
Year 1966					
Mill Heads	140,093	7.12	0.58	3.14	
Zinc Concentrate	15,486	53.40	0.34	2.68	
Lead Concentrate	1,995	17.60	30.78	141.75	0.39
Final Tailing	122,612	1.10	0.12	0.94	
Metal Recoveries		84.6%	79.3%	70.1%	

PRODUCTION STATISTICS

	Zinc Concentrates		Lead Concentrates		Silver Bullion	
	1967	1966	1967	1966	1967	1966
Production	3,284	15,556	496	2,006	191	545 oz.
Metal Content — Zinc	53.6%	53.13%	22.8%	17.83%		
Lead			30.9%	29.19%		
Silver	3.7%	2.70 oz.	173.4%	147.49 oz.	97.7%	97.2%
Gold		.008 oz.	.27 oz.	.41 oz.	.07%	.39%
Value of Contained Metal per unit of production	$ 168.77	$ 169.80	$ 588.24	$ 333.51	$ 2.24	$ 1.50
Metal not paid for	28.31	28.03	58.13	38.41		.01
Smelting and Refining (including ocean freight on lead concentrate)	49.46	49.25	52.81	47.51	.45	.18
Freight	16.77	17.07	6.57	6.50		
Duty, etc.	6.94	6.88				
Net mine return	67.29	68.57	470.73	241.09	1.79	1.31

Ore reserves were not re-calculated when the mine closed. The quantity and grade milled in 1967 deducted from the calculated reserves at January 1st leaves positive ore at 84,330 tons of 5.91% Zn. and 1.62 oz. Ag., probable ore at 79,000 tons of 4.49% Zn. and 2.27 oz. Ag., and tailings 85,072 tons of 2.2 Zn. and 3.15 Ag.

Since the exploration programme instituted at the beginning of 1963 and carried on into 1966 did not discover substantial ore bodies of commercial grade, your management decided that your Company's best chances of developing commercial ore bodies were else-

where. With the intriguing geology which exists on the property, the probability is strong that other ore bodies of commercial grade do exist and perhaps at some future date some group with a fresh approach to the geological problems may be successful in locating them. Title to the property is being maintained in good standing with a view to partcipation in the benefits of any future exploration. Because of the termination of operations your management has seen fit to charge as Surplus adjustments all of the Preproduction and Deferred Development carried out on this Property, an amount to reduce the property to a nominal value of $1.00, losses sustained on sale of fixed assets, and amounts to reduce the Stores and Supplies, and the Buildings, Plant and Equipment to their estimated realizable value should the Company have no further use for these assets in their present location. However, your Company has a controlling interest in Quebec Sturgeon River Mines Limited, which has located a body of gold-ore approximately one mile distant from your Mill, of a type which could be treated by your Flotation Process. Thus there is the possibility of the Mill and Camp Facilities being used for this purpose.

Below we give a summary of the Company's holdings of securities (consolidated) as at December 31st, 1967 with market values calculated at last sale prices on listed securities:

Units	Security	Book Value	Market Value
	NOTES		
450,000	Traders Group Limited	$ 450,000	$ 450,000
	BONDS AND DEBENTURES		
20,000	B.C. Electric 4½% due Aug. 1, 1986	20,000	14,600
5,000	C.P.R. 4% Coll Tr. bonds due Dec. 1, 1969	5,000	4,700
7,500	T. Eaton Acceptance Corp. 4¾% debentures due Mar. 1, 1974	7,465	6,375
10,000	T. Eaton Realty Company 5% bonds due Mar. 15, 1973	10,000	9,000
87,000	Industrial Acceptance Corporation 5½% debentures due July 2, 1973	87,000	77,212
	SHARES		
16,283	Big Nama Creek Mines Limited (free)	6,259	5,536
15,093	(pooled and not valued)		
600	Dome Mines Limited	3,818	36,750
265,000	First Maritime Mining Corporation Limited	388,400	371,000
1,000	General Products Manufacturing Corporation—A	9,715	20,000
204,000	General Products Manufacturing Corporation—Pref.	51,000	51,000
500	Kerr Addison Mines Limited	750	9,062
2,000	Macassa Mines Limited	3,597	2,660
950,013	Quebec Sturgeon River Mines Limited	340,892	199,503
	Miscellaneous	1,650	4,546
	Accrued Income	4,674	4,674
		$ 1,390,220	$ 1,266,618

QUEBEC STURGEON RIVER MINES LIMITED in which your Company has approximately a 50% interest, transferred its original property (a former gold producer) consisting of 35 Mining Leases in the Townships of Elmhirst, Irwin, Pifher and Walters, in the District of Thunder Bay, Province of Ontario, to this Company, and its indebtedness for advances amounting to

$281,468.79, plus interest was terminated. These Leases are now the property of your Company and have been valued on the books at the principal amount of the advances and some incidental costs for a total of $282,001.79. Quebec Sturgeon is thus placed in a position to readily re-finance when required.

During the year Quebec Sturgeon granted an option to Sullico Mines Limited under which a programme of exploration is being carried out on the New Brunswick Property. Sullico have three years to form a New Company to take over the property for the consideration of the allotment and issue fully paid of 12½% of the authorized capital.

Quebec Sturgeon has retained its interest in the gold property in the Bachelor Lake Area in the Province of Quebec.

OUTSIDE EXPLORATION. The properties acquired in the Bruce Peninsula of Ontario in the previous year were further prospected but as results were disappointing all Options were allowed to lapse and all expenditures with the exception of the purchase price of two farms to which title is being retained, have been written off. These farms contain the best of the mineral showings which were found.

Considerable work was carried out on the 50 Mining Claims which were acquired in the Johan Beetz Area in the early part of the year. This consisted of geophysical surveying, stripping, trenching and diamond drilling. Widespread uranium mineralization was shown to be present but standard diamond drill cores were found to give an inadequate sized sample for the determination of average uranium content so that further development by other means will be required to determine whether or not the uranium mineralization is of a commercial grade.

Your Company, in association with Northern Canada Mines Limited, is planning an active exploration programme for the 1968 season.

Respectfully submitted,

M. J. BOYLEN, Chairman of the Board

C. S. KENNEDY, President

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THE CONIAGAS REDU

CONSOLIDATED BALANCE

(With compara

ASSETS

	1967	1966
	$	$
Current		
Cash	6,547	103,753
Metal settlements outstanding at estimated value	27,666	143,718
Refundable diesel oil taxes	38,614	62,745
Other accounts receivable	11,424	13,404
Accrued interest and dividends	4,674	4,773
Short-term commercial notes receivable	450,000	200,000
Inventory of lead concentrates at estimated sale value	—	199,833
Silver inventory at market value	343	—
Mining stores and supplies, at estimated realizable value — 1966 at cost	39,000	126,247
Prepaid expenses	9,885	3,652
	588,153	858,125
Shares in and Advances to a Subsidiary Company		
Quebec Sturgeon River Mines Limited (Note 1)		
950,013 shares, at cost	340,892	340,892
(Quoted market value $199,503 — 1966 $218,503)		
Advances	23,571	281,063
	364,463	621,955
Investments		
Corporation bonds, at cost (Note 2)	129,465	129,460
(Quoted market value $111,888 — 1966 $114,144)		
Shares of other mining and industrial companies having a quoted market value, at cost less depletion (Notes 2, 3 and 4)	465,024	404,703
(Quoted market value $498,728 — 1966 $760,904)		
Shares of other mining companies, at cost (Note 2)	163	163
	594,652	534,326
Fixed		
Surface lands, mining properties, mining plant and miscellaneous equipment (Note 5)	541,863	1,400,981
Deferred Expenditures		
Mine development expenses	—	1,265,740
	2,089,131	4,681,127

AUDIT

To the Shareholders of
THE CONIAGAS MINES, LIMITED
Toronto, Ontario.

We have examined the Consolidated Balance Sheet of The Coniagas Mines, Limited as at Dece for the year ended on that date and the Notes to the Consolidated Financial Statements. Our exa supporting evidence as we considered necessary in the circumstances.

In our opinion, the attached Consolidated Balance Sheet, Consolidated Statements of Profit present fairly the financial position of the Company as at December 31st, 1967 and the results of Financial Statements have been prepared in accordance with generally accepted accounting principles with losses totalling $2,335,502 resulting from the termination of mining operations on the Bachelor

Toronto, Canada,
May 15th, 1968.

MINES, LIMITED

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ET — DECEMBER 31st, 1967

gures for 1966)

LIABILITIES

		1967	1966
Current		$	$
Accounts payable and accrued liabilities		36,961	142,452

SHAREHOLDERS' EQUITY

Capital			
Authorized:			
3,000,000 Shares without par value not to exceed in the aggregate	$3,000,000		
Issued:			
2,984,034 Shares		2,901,775	2,901,775
Appraisal Increase Credit			
Balance resulting from the appraisal by the Directors of 35 mining leases in the District of Thunder Bay, Ontario		256,469	—
Contributed Surplus			
Balance unchanged from previous year (Note 6)		8,800	8,800
Deficit			
Balance, end of year		(1,114,874)	1,628,100
		2,052,170	4,538,675
		2,089,131	4,681,127

The Notes attached form an integral part of these financial statements.

Approved on behalf of the Board:

M. J. BOYLEN, Director.

C. S. KENNEDY, Director.

S REPORT

st, 1967, the Consolidated Statements of Profit and Loss, Deficit and Source and Application of Funds ft included a general review of accounting procedures and such tests of accounting records and other

s, Deficit and Source and Application of Funds and Notes to the Consolidated Financial Statements rations and the source and application of its funds for the year ended on that date. The Consolidated l on a basis consistent with that of the preceding year except that Deficit Account has been charged operty and with which we concur.

SNYDER, CRAIG & CO.,
Chartered Accountants.

THE CONIAGAS MINES, LIMITED

and its wholly-owned subsidiary

THE CONIAGAS REDUCTION COMPANY LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED DECEMBER 31, 1967

(With comparative figures for 1966)

	1967	1966
Metal Revenue	$	$
Production at estimated net realizable value, less marketing expenses	448,569	1,535,203
Miscellaneous mine revenue	13,158	20,834
	461,727	1,556,037
Operating Costs		
Mining	141,104	832,843
Crushing	28,086	113,799
Milling	95,310	334,723
Supervision and general	155,034	317,512
	419,534	1,598,877
Net mine operating profit (loss) before taxes and other mining fees	42,193	(42,840)
Capital and place of business taxes and license fees applicable to the mining operation	6,105	5,051
Unrefunded gasoline tax on fuel oil	38,022	—
	44,127	5,051
Net loss before financial income and expense and prospecting and exploration costs	1,934	47,891
Administration and financial expenses	16,868	23,376
Prospecting and exploration costs	55,653	52,329
	72,521	75,705
Interest, dividends and miscellaneous income	22,771	19,870
	49,750	55,835
Net operating loss before depreciation	51,684	103,726
Depreciation:		
Buildings	32,540	33,436
Machinery and equipment	57,115	56,922
	89,655	90,358
Net Loss for the year	141,339	194,084

THE CONIAGAS MINES, LIMITED

and its wholly-owned subsidiary

THE CONIAGAS REDUCTION COMPANY LIMITED

CONSOLIDATED STATEMENT OF DEFICIT

FOR THE YEAR ENDED DECEMBER 31, 1967

(With comparative figures for 1966)

		1967	1966
		$	$
Balance, beginning of year, at credit		1,628,100	1,822,189
Deduct: Net loss for the year		141,339	194,084
Amounts written off as a result of termination of mining operations on Bachelor Lake property:			
Mining property		387,285	
Deferred mine development expenses		1,265,740	
Loss on disposal of fixed assets		44,212	
Loss on reduction to estimated net realizable value of			
— mining stores and supplies to	$ 39,000	39,555	
— fixed assets to	$ 250,000	598,710	
Forgiveness of debt due from an affiliated company		256,469	
Option costs on properties in the Bruce Peninsula, Ontario, incurred in the preceding year		9,664	
Investments written off			5
		2,742,974	194,089
Balance, end of year, at (debit) credit		(1,114,874)	1,628,100

THE CONIAGAS MINES, LIMITED

and its wholly-owned subsidiary

THE CONIAGAS REDUCTION COMPANY LIMITED

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED DECEMBER 31, 1967

(With comparative figures for 1966)

	1967	1966
Source of Funds	$	$
Sale of fixed assets	28,650	—
Reduction in advance to an unconsolidated subsidiary company	—	9,337
	28,650	9,337
Application of Funds		
Net Loss	141,339	194,084
Less: Depreciation	89,655	90,358
Prospecting expenses	55,653	52,329
Miscellaneous adjustments	539	575
	145,847	143,262
Funds applicable to operations	(4,508)	50,822
Purchase of investments	60,714	—
Purchase of mining properties	—	18,804
Purchase of fixed assets	17,207	8,653
Prospecting and exploration costs	55,653	52,329
Advanced to an unconsolidated subsidiary company	23,977	—
Transfer costs on 36 mining leases in the District of Thunder Bay, Ontario	533	—
	153,576	130,608
Resulting in an increase (decrease) in working capital	(124,926)	(121,271)
Decrease in working capital resulting from write down of mining stores and supplies	(39,555)	—
Working capital, beginning of year	715,673	836,944
Working capital, end of year	551,192	715,673

THE CONIAGAS MINES, LIMITED

and its wholly-owned subsidiary

THE CONIAGAS REDUCTION COMPANY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1967

UNCONSOLIDATED SUBSIDIARY

1. The Companies own a 50.15% interest in Quebec Sturgeon River Mines Limited which, in accordance with the practice in prior years is not considered to be sufficient to warrant consolidation of this non-operating subsidiary.

INVESTMENTS

2. The following is a consolidated list of investments held:

	Market Value 1967 $	Book Value 1967 $	Book Value 1966 $
Corporation bonds, at cost			
Canadian Pacific Railway Company, $5,000 4% due December 1, 1969	4,700	5,000	5,000
T. Eaton Acceptance Corporation, $7,500 4¾% due March 1, 1974	6,375	7,465	7,460
T. Eaton Realty Company, $10,000 5% due March 15, 1973	9,000	10,000	10,000
Industrial Acceptance Corporation, $87,000 5½% due July 2, 1973	77,213	87,000	87,000
British Columbia Electric, $20,000 4½% due August 1, 1986	14,600	20,000	20,000
Per Balance Sheet	111,888	129,465	129,460
Shares of other companies — quoted			
Mining, at cost less depletion			
600 Dome Mines Limited	36,600	3,818	4,059
500 Kerr Addison Mines Limited	9,000	750	851
2,000 Macassa Mines Limited	2,680	3,597	3,648
Mining, at cost			
1,000 Barnat Mines Limited	400	253	253
Big Nama Creek Mines Limited			
16,283 — free shares	4,885	6,259	6,259
15,092 — escrowed shares not valued			
500 Cochenour Willans Gold Mines Limited	660	1,215	1,215
Elmwood Mines Limited			
1,000 — free shares	7	1	1
9,000 — escrowed shares not valued			
265,000 First Maritime Mining Corporation Limited	371,000	388,400	388,400
K.B. Mining Company Limited			
14,723 — free shares	1,031	2	2
11,146 — escrowed shares not valued			
100 McMarmac Red Lake Gold Mines Limited	1	13	13
18,063 Newnorth Gold Mines Limited	2,167	1	1
1,750 Nadulama Mines Limited	297	1	1
	428,728	404,310	404,703
Industrial, at cost			
General Products Manufacturing Co. Ltd.			
1,000 — Class A	19,000	9,714	—
204,000 — Redeemable Preferred	51,000	51,000	—
	70,000	60,714	—
Per Balance Sheet	498,728	465,024	404,703

	Market Value 1967 $	Book Value 1967 $	Book Value 1966 $
Shares of other companies — unquoted			
Mining, at cost			
4,092 Maylac Mines Limited		163	163

3. In accordance with the Company's practice, 50% of dividend income received from other mining companies has been credited against the cost of the shares of these mining companies as "depletion". The amount so credited in 1967 was $393 (1966 — $570).

4. The quoted market value in the aggregate given for the shares of First Maritime Mining Corporation Limited, because of the large block involved, is not necessarily indicative of the amount that might be realized if this investment were sold.

FIXED ASSETS

5. The Company's fixed assets are summarized below:

	1967 $	1966 $
In the Province of Ontario:		
District of Thunder Bay		
35 Mining leases in the Townships of Elmhirst, Irwin, Pifher and Walters valued by the directors at cost of $25,533 plus appraisal increase credit of $256,469	282,002	—
County of Bruce		
2 Lots of farm land held in fee simple, at cost	9,140	9,140
Options to purchase 6 lots in the Township of Eastnor including payment to vendor of exploration costs — dropped in 1967 and these 1966 costs along with additional 1967 charges were written off to "Prospecting and exploration costs"	—	9,664
Head office		
Furniture and fixtures at cost, less accumulated depreciation $5,552 (1966 — $5,432)	714	865
In the Province of Quebec:		
Bachelor Lake Area		
1 Mining concession and 10 mining claims in the Township of Lesueur, at written down value	1	387,436
Mine buildings, surface structures and equipment at estimated net realizable value (1966 at net depreciated value). Disposals in 1967 of a net depreciated value amounted to $72,862	250,000	993,869
Miscellaneous mining claims at nominal values which include 50 mining claims in the Johan Beetz Area, in the Township of Desherbiers and the projected Township 1075 Electoral District of Duplessis, Quebec, at the nominal value of $1 on which expenditures for staking and exploration in 1967 totalled $47,479.	6	7
	541,863	1,400,981

MISCELLANEOUS

6. In 1965, contributed surplus was reduced by a charge of $3,973,700 in respect of costs of mining properties written off.

7. Total remuneration paid to directors and senior officers during 1967 was $45,159.

THE CONIAGAS MINES, LIMITED

Suite 903, 330 Bay Street
TORONTO 1, Ontario

NOTICE

Notice is hereby given that an Annual and Special General Meeting of the Shareholders of The Coniagas Mines, Limited will be held at Room 904, 330 Bay Street, Toronto 1, Ontario, on Friday, June 28th, 1968 at the hour of 10:00 o'clock in the forenoon (Toronto Time) for the purposes of:

1. Receiving the Annual Report of the Company for the fiscal year ended December 31st, 1967, together with the report of the auditors thereon, and,

2. Electing directors for the ensuing year, or until their successors are appointed and,

3. Appointing auditors for the ensuing year, and authorizing the directors to fix their remuneration and,

4. Considering and if deemed advisable, confirming with or without variation a special resolution adopted and passed by the board of directors of the company authorizing an increase in the authorized capital of the company from 3,000,000 shares without par value to 5,000,000 shares without par value.

5. Transacting such other business as may properly come before the meeting.

By order of the Board of Directors,

D. W. GORDON,
Secretary.

Toronto, Ontario.
June 12th, 1968.

NOTE: Shareholders who are unable to be present at the meeting are requested to sign and return in the envelope provided for that purpose, the enclosed form of Instrument of Proxy for use at the meeting. The persons named in the enclosed Instrument are Officers of the Company. If the enclosed form is used, and an alternative proxy is desired, the name of such alternates may be inserted in the instrument, and the printed name thereon may be struck out. A copy of the Annual Report of the Company is enclosed with this Notice.

THE CONIAGAS MINES, LIMITED

INFORMATION CIRCULAR
June 12, 1968

1. **Revocability of Proxy:** Proxies given to the Company are revocable.

2. **Persons or Companies making the Solicitation:** The solicitation is made by the management of the Company. The cost will be borne by the Company.

   A Proxy given to the management of the Company will be voted at the Meeting in accordance with the specifications given by the shareholders in the proxy with respect to any matter to be acted upon. However, the proxy is conferring discretionary authority with respect to amendments or variations to matters identified in the notice of meeting or other matters which may properly come before the meeting.

3. **Interest of Certain Persons and Companies in Matters to be Acted Upon:** Other than the items set out in the notice of the meeting there are no matters to be acted upon.

4. **Voting Shares and Principal Holders Thereof:** 2,984,034 Common Shares are outstanding, each entitled to one vote.

   Shareholders of record at the time of the meeting are entitled to vote.

   A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON TO ATTEND AND ACT FOR HIM AND ON HIS BEHALF AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE FORM OF PROXY, AND MAY DO SO BY FILLING IN THE NAME OF THE APPOINTEE IN THE SPACE PROVIDED ON THE PROXY AND CAUSING IT TO BE FILED WITH THE SCRUTINEER AT THE MEETING.

5. **Election of Directors:**

Persons Proposed for election to Board of Directors until next Annual General Meeting	Positions and Offices Held	Principal Occupations within the past five years	Director Since	Shares Beneficially owned Directly or Indirectly in Company and Subsidiary	
				Coniagas	Quebec Sturgeon
M. J. Boylen	Chairman of the Board	Mining Executive with this and many other Companies	1955	440,965	67,375
C. S. Kennedy	President and Chief Accounting Officer	Executive with this and other Companies	1955	100	1,800
R. J. Isaacs	Vice-President	Mining Engineer with this Company and other Companies	1955	100	NIL
D. W. Gordon	Secretary-Treasurer	Executive with this and other Companies	1967	350	50
C. B. Brannigan	Director	Executive with this and other Companies	1967	NIL	NIL

6. **Remuneration of Management and Others:**

Direct Remuneration Paid to directors and senior officers during last complete financial year (including five highest paid employees).

By Company and Consolidated Subsidiary	By non-Consolidated Subsidiary	Cost of Pensions for directors and senior officers	Cost of other remuneration for directors and senior officers
$45,159.40	$200.00	NIL	NIL

7. **Interest of Management and Others in Material Transactions:** None.

8. **Appointment of Auditors:** Snyder, Craig and Company — First appointed June 10th, 1966.

9. **Management Contracts:** None.

10. **Particulars of Matters to be Acted Upon:** Confirmation of a Special Resolution adopted and passed by the directors of the company at a meeting held June 6th, 1968 as follows:

Special Resolution

WHEREAS the authorized capital of The Coniagas Mines, Limited (hereinafter called "The Company") consists of Three Million (3,000,000) shares without par value, of which at the date hereof Two Million, Nine Hundred and Eighty-four Thousand and Thirty-four (2,984,034) are issued and outstanding as fully paid and non-assessable;

AND WHEREAS it is considered advisable in the interests of the Company to increase the authorized capital of the Company by the creation of additional shares without par value, as hereinafter provided;

NOW THEREFORE BE IT RESOLVED as follows:

(1) The Company be and it is hereby authorized to make application to the Lieutenant-Governor of the Province of Ontario for the issue of Supplementary Letters Patent increasing the authorized capital of the Company by the creation of an additional Two Million (2,000,000) shares without par value, ranking in all respects on a parity with the existing Three Million (3,000,000) shares of the Company; provided that the Five Million (5,000,000) shares shall not be issued for a consideration exceeding in amount or value the sum of Five Million ($5,000,000.00) Dollars or such greater amount as the Board of Directors of the Company deems expedient, on payment to the Treasurer of the Province of Ontario of the fees payable on such greater amount and on the issuance by the Provincial Secretary of a certificate of such payment,

(2) The Directors and Officers of the Company be and they are hereby authorized to do, sign and execute all things, deeds and documents necessary or desirable for the due carrying out of the foregoing.

By order of the Board of Directors,

D. W. GORDON,
Secretary.

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